(b) whether Government Departments/PSUs outsource their security manpower through tenders sytems, in which PESCO it find difficult to compete, owing to higher rates quoted by them due to applicability of Service Tax, whereas the small security operators having turn-over of upto Rs. 4 lakhs are exempted from such tax; and

(c) whether the benefit of exemption from Service Tax is alrady being given to Central Police Paramilitary Force like CRPF and CISF and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Service tax was introduced in 1994 so as to broaden the tax base, to bring about neutrality in consumption choices and on grounds of equity. Service tax is intended to be passed on to consumers of taxable services.

(b) Uniform rate is neutral in its impact on production and consumption decisions and obviates disputes of classification of services.

(c) There is no proposal at present under the consideration of the Central Government to prescribe a lower rate of service tax for any specified services.

Refinancing Central Co-operative Banks by NABARD

3994. DR. M.S. GILL:
SHRI DHARAM PAL SABHARWAL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that of the estimated aggregate realistic loaning programme for all eligible Central Co-operative Banks against PACS for short term refinance for seasonal agricultural operations, NABARD restricts the refinance to only 30 per cent;

(b) if so, whether there is any proposal from the Government of Punjab to raise the quantum of refinance by NABARD to meet the requirements of the Central Co-operative Banks for achieving the goal of doubling the flow of credit in the next three years; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) NABARD'S refinance support is

supplementary in nature to facilitate banks to meet the ground level credit requirements in addition to their internal lendable resources. As per Short Term-Seasonal Agriculture Operation (ST-SAO) refinance policy for cooperatives for the year 2005-06, the quantum of refinance to State Cooperative Bank (SCB) is linked to gross Non-Performing Assets (NPAs). SCBs, having gross NPA upto 20% as on 31st March, 2004, would be provided refinance upto 30% of Realistic Lending Programme (RLP) of eligible DCBs. SCBs having gross NPAs more than 20% are eligible for refinance upto 25% of RLP.

(b) and (c) Neither Government of India nor NABARD has received any such proposal from Government of Punjab.

World Bank funds for health projects

3995. MS. SUSHILA TIRIYA:
SHRI MOTILAL VORA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that World Bank has upheld approximately 1 billion $ funding for health projects;

(b) if so, the reasons therefor;

(c) whether his Ministry has written to all State Governments and Central Departments to ensure complete transparency and integrity in awarding contracts;

(d) if so, the details thereof;

(e) whether the World Bank has issued any deviations from the established procedure contained in the guidelines;

(f) if so, the details of guidelines thereof; and

(g) the further action taken by Government to complete the health projects with the World Bank funding?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The World Bank has postponed the approval of the following three projects in the health sector for an amount of US$ 662 million:—

(1) Reproductive & Child Health Project -II for US $ 350 million,